Draft

MINUTES OF MEETING
OF THE BOARD OF DIRECTORS OF
RIH EQUITY CORPORATION

A meeting of the Board of Directors of the RIH Equity Corporation was held on Thursday, June 21, 2012 at 9:30 AM at the Offices of the Corporation, 44 Washington Street, Providence, RI, 02903.

Commissioners in attendance were: Chairman James DeRentis; Vice Chairwoman Denise Barge; Neena Savage, designee for Paul McGreevy, Director of Department of Business Regulation; Joseph Pratt, designee for General Treasurer Gina Raimondo; Paul Dimeo and Jose Monteiro. Steven Costantino, designee for Richard Licht, Director of Administration was absent.

Also in attendance were: Richard H. Godfrey, Jr., Executive Director; Susan Bodington, Deputy Director; Kara Lachapelle, Director of Finance and Technology; Amy Rainone, Director of Intergovernmental Relations; Carol Ventura, Director of Development; Cathleen Paniccia, Director of Homeownership and Administration; Leslie McKnight, Director of Servicing; Carlos Hernandez, Director of Resident Services; and Michael V. Milito, Corporation Counsel.

Steve Richard, Counsel to the Corporation was also present, as were members of the public.

Pursuant to Chapter 46 of Title 42 of the General Laws of Rhode Island, notice of the meeting of the Board of Commissioners was posted in the Offices of the Corporation and at the first floor bulletin board in the State House.

Chairman DeRentis called the meeting to order at approximately 9:30 a.m.

Approval of Minutes of Meeting Held on February 28, 2008

Upon a motion made by Commissioner Monteiro and seconded by Commissioner Barge the following was unanimously adopted:

VOTED: That the Minutes of the RI Equity Corporation Meeting held on February 28, 2008 hereby are approved.

Approval of Sale of Ashley Court

Mr. Godfrey gave this presentation.

Ashley Court Limited Partnership (the "Partnership") is the owner of the housing development located in Woonsocket and known as Ashley Court Apartments ("Ashley Court" or the "Development").

Ashley Court was developed in 1989 using federal low income housing tax credits. The Development was sponsored by Robert Jensen ("Jensen") and the original general partner of

ACLP was Ashley Court Associates, Inc., ("Ashley Realty") a corporation formed and controlled by Jensen. Rhode Island Housing Equity Pool, LP (the "Equity Pool") was the original limited partner in ACLP. Rhode Island Housing is the holder of a first and second mortgage loan on Ashley Court.

In 1997, due to the Partnership's default under the financing documents and the partnership agreement, the Equity Pool exercised its right to remove Ashley Realty as general partner and designated the RIH Equity Corporation (the "Equity Corp.") to act as general partner. The Equity Corp. also serves as the general partner of the Equity Pool.

In 2003 Jensen, Erik Realty and a development and property management corporation controlled by Jensen (collectively, the "Jensen Parties") filed suit against Rhode Island Housing, the Equity Pool and EELP (collectively, the "Rhode Island Housing Parties") alleging wrongdoing on the part of the Rhode Island Housing Parties regarding Ashley Court. The Jensen Parties sought damages and other relief. The Rhode Island Housing Parties believed that no sums are due to the Jensen Parties.

In 2005, the Jensen Parties and the Rhode Island Housing Parties entered into settlement discussions and were successful in reaching a mutually acceptable resolution. Under the agreement, the Jensen Parties had the right the option to acquire Ashley Court and a second Woonsocket property involved in the lawsuit, Ashley Court, for an amount equal to the outstanding loan balance plus approximately 50% of the accrued interest due.

In 2008 the Jensen Parties exercised its right to acquire Erik Estates, but decided not to acquire Ashley Court and waived its option. Since 2008 the Equity Corp., in conjunction with Rhode Island Housing, has been responsible for managing Ashley Court.

In 2012 the Equity Corp. and Rhode Island Housing issued an RFP for the sale of Ashley Court to a new owner who was prepared to refinance and rehabilitate the development and maintain it as affordable housing. Trinity Financial, Inc ("Trinity") was selected as the developer for the acquisition and redevelopment of Ashley Court.

This request is for authority to transfer Ashley Court to Trinity Financial under the terms and conditions set forth herein.

Upon a motion made by Commissioner Pratt and seconded by Commissioner Dimeo the following resolution was unanimously adopted:

Resolution of the Board of Commissioners
of Rhode Island Housing and Mortgage Finance Corporation

WHEREAS, Ashley Court Limited Partnership (the "Partnership") is the record owner of Ashley Court Apartments, located in Woonsocket, Rhode Island ("Ashley Court"); and

WHEREAS, Rhode Island Housing and Mortgage Finance Corporation ("Rhode Island Housing") is the holder of certain mortgage loans on Ashley Court; and

WHEREAS, RIH Equity Corporation, (the "Equity Corp.") a statutory subsidiary of Rhode Island Housing, is the general partner of the Partnership; and

WHEREAS, Rhode Island Housing Equity Pool, LP (the "Equity Pool"), a statutory subsidiary of Rhode Island Housing, is the limited partner of the Partnership; and

WHEREAS, the Equity Corp. is the general partner of the Equity Pool.

WHEREAS, the Partnership desires to sell the Ashley Court Apartments under the terms and conditions set forth herein.

NOW, THEREFORE, BE IT:

RESOLVED, that Equity Corp. hereby consents to the taking of the following action for and on behalf of Equity Corp. in its capacity as the general partner of Partnership and in its capacity as the general partner of the Equity Pool (in such capacity, the "Corporation").

RESOLVED, that the Corporation, in its capacity as the general partner of the Partnership, enter into an Agreement of Sale (the "Sale Agreement") for the sale of the Partnership's property located at [address], Woonsocket, Rhode Island ("Ashley Court Apartments") to Trinity Financial, Inc. or its nominee (the "Purchaser") on such terms and conditions as the President determines to be in the best interests of the Corporation and the Partnership.

RESOLVED, that the President, Treasurer, the Chairman of the Board, the Chief Executive Officer or any Vice President of the Corporation (each an "Executive Officer") be, and each of them hereby is, authorized,

<u>Approval of Deed in Lieu of Foreclosure for Linwood Court Limited Partnership II</u>

Mr. Godfrey presented this request.

This Request for Action is for approval to a Deed in Lieu of Foreclosure from Linwood Court Limited Partnership II, the owner of Linwood Court Apartments II (the "Development") to Rhode Island Housing or its nominee.

Linwood Court II (the "Development") is a low-income housing tax credit property located in Providence, Rhode Island financed by Rhode Island Housing in June 1994. It has thirty apartments and provided housing to homeless individuals and families.

Advent House, Inc. ("Advent, Inc."), a Rhode Island non-profit corporation, was the developer/sponsor of the Development. The Development is owned by a single-purpose limited partnership, Linwood Court Limited Partnership II (the "Partnership"), created by Advent House, Inc. The general partner is a single-purpose affiliate of Advent, Inc. Rhode

Island Housing Equity Pool, LP (the "Equity Pool") is the limited partner or the Partnership. RIH Equity Corp. is the general partner of the Equity Pool.

Over the past several years there have been a number of physical and financial challenges at the Development. Over the years, for a variety of reasons, income was insufficient to pay debt service and to effectively operate the development. As a result, the property has suffered from physical deterioration and became increasingly financially unstable, prompting Rhode Island Housing to engage the Advent, Inc. board of directors and representatives of the limited partner to address the ongoing operational problems.

Since October 2007, Rhode Island Housing assumed an increasingly active advisory and support role in the operation of the Development and refrained from exercising its rights under the various loan documents in the face of ongoing defaults in the hope that operations of the Development would stabilize. At the present time the outstanding debt owed to Rhode Island Housing is approximately $867,000 and the market value of the Development is approximately $20,000.

Despite these efforts, success has been elusive, and the various interested parties have reached consensus that significant changes need to be implemented at the Development. To facilitate the stabilization of the Development and protect its financial investment, Rhode Island Housing has negotiated a deed in lieu of foreclosure with the Partnership. All of the affected parties have agreed in principle to this transfer.

Upon a motion made by Commissioner Pratt and seconded by Commissioner Monteiro the following resolution was unanimously adopted:

Resolution of the Board of Commissioners
of Rhode Island Housing and Mortgage Finance Corporation

WHEREAS, Linwood Court Limited Partnership II (the "Partnership") is the record owner of Linwood Court Apartments II, located in Providence, Rhode Island ("Linwood II"); and

WHEREAS, Rhode Island Housing and Mortgage Finance Corporation ("Rhode Island Housing") is the holder of certain mortgage loans on Linwood II; and

WHEREAS, Rhode Island Housing Equity Pool, LP (the "Equity Pool"), a statutory subsidiary of Rhode Island Housing, is the limited partner of the Partnership.

WHEREAS, the Equity Corp. is the general partner of the Equity Pool.

NOW, THEREFORE, IT IS HEREBY:

Resolved, That the Equity Corp., in its capacity as general partner of the Equity Pool, hereby consents to the delivery by the Partnership of the Partnership's interests in Linwood II to Rhode Island Housing, or its nominee, on such terms and

conditions that its Executive Director deems to be in the best interests of the Equity Corp., specifically including a deed in lieu of foreclosure.

Resolved, That the Executive Director or each Deputy Director be, and each hereby is, authorized to take any and all actions, including specifically the authority to execute any and all documents, instruments and agreements and to take such further actions as he or she deems necessary to carry out the above resolutions; and

Resolved, That all acts and deeds heretofore done by the Executive Director or each Deputy Director on behalf of the RIH Equity Corp. in carrying out the terms and intentions of these resolutions, are hereby ratified, approved and confirmed in all respects.

There being no further business to discuss, a motion was duly made by Commissioner Monteiro and seconded by Commissioner Dimeo to adjourn the open meeting at approximately at 9:35 a.m.

Respectfully submitted,

Richard H. Godfrey, Jr.
Secretary and Executive Director